

## AFFORDABLE HOUSING FINANCE PROGRAMS

CHFA offers tax-exempt and taxable permanent financing for the new construction or acquisition and rehabilitation of projects that preserve or enhance existing multifamily housing and revitalize neighborhoods.

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>▪ New Construction, or Acquisition/Rehabilitation</li> <li>▪ For-Profit; Non-Profit or Public Agency sponsors</li> </ul>	
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ Minimum 110% Debt Service Coverage</li> <li>▪ Lesser of 80% of economic value or 90% of development cost</li> </ul>	
<b>Fees</b>	<ul style="list-style-type: none"> <li>▪ \$500 Application Fee due at application submittal</li> <li>▪ 2% Finance Fee due upon loan approval by CHFA's Board</li> <li>▪ Credit enhancement fee included in the interest rate</li> <li>▪ 1% Bond Origination Guarantee – due within 30 days of final commitment approval. Refundable at permanent loan closing.</li> </ul>	
<b>Rate &amp; Term</b> (subject to change)	<u><b>Tax-Exempt Financing</b></u> 5.70% for 30 yrs 5.85% for 35 yrs 6.00% for 40 yrs	<u><b>Taxable Financing</b></u> 7.90% for 30 yrs 8.05% for 35 yrs 8.20% for 40 yrs
<b>Subordinate Liens</b>	Tax credit utilization and loans or grants are encouraged from local governments and third parties to achieve project feasibility: All loans, leases, and development agreements must be subordinate to CHFA financing.	
<b>Occupancy Requirements</b>	20% of the units are required to be restricted to households earning 50% or less of the county median income (as adjusted by family size). Loans in excess of \$10 million require additional levels of affordability.	
<b>Due Diligence</b>	Appraisal ordered for CHFA; Market Study; Phase I; Seismic Review; Physical Needs Assessment (PNA) for rehabilitation projects; other studies as required by CHFA. All studies are at Borrower's expense.	

<b>Required Reserves</b>	<ul style="list-style-type: none"> <li>▪ Operating Expense Reserve – 10% - 15% of annual gross income due at permanent loan close.</li> <li>▪ Replacement Reserve – varies by project type &amp; PNA results</li> <li>▪ Construction Defects – 2.5% of hard costs for 12 months from permanent loan close.</li> <li>▪ Prepaid Earthquake and hazard insurance are required</li> </ul>

## **Acquisition/Rehabilitation Project Requirements**

[Common Area Accessibility Report Requirements](#)

[Required Reserves](#)

[Physical Needs Assessment Requirements](#)

**Other available financing options include:**

[Tax-Exempt Bridge Loan Financing](#)

[Preservation Acquisition Financing](#)

[Special Needs Development Financing](#)

[Predevelopment Financing](#)

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